

## Message Text

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46

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 FRB-03 INR-11

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-03

LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08 CEA-02 SAJ-01

L-03 H-03 PRS-01 INT-08 PA-04 USIA-15 DRC-01 /178 W

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R 020841Z AUG 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 1729

USDOC WASHDC

INFO AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

UNCLAS BUDAPEST 2083

E.O. 11652: N/A

TAGS: EMIN, ETRD, HU, USSR

SUBJ: CONCLUSION OF HUNGARIAN-SOVIET FERROUS METALS  
AGREEMENT

USDOC FOR BEWT

1. HUNGARIAN PRESS REPORTS CONCLUSION OF BILATERAL  
AGREEMENT PROVIDING FOR HUNGARIAN PARTICIPATION IN  
DEVELOPMENT OF SOVIET RAW MATERIALS FOR STEEL INDUSTRY.  
UNDER TERMS OF AGREEMENT, WHICH COMES WITHIN FRAMEWORK  
OF GENERAL AGREEMENT ON SUBJECT SIGNED BY SEVEN CEMA  
COUNTRIES IN APRIL, HUNGARY WILL EXPORT 26.5 MILLION  
RUBLES WORTH OF EQUIPMENT TO SOVIET UNION BETWEEN 1975  
AND 1978. TYPES OF EQUIPMENT TO BE SHIPPED INCLUDE  
CRANES, PUMPS, INDUSTRIAL FITTINGS, PRODUCTION CONTROL  
DEVICES, LABORATORY EQUIPMENT, AND EVEN AN UNSPECIFIED  
QUANTITY OF IKARUSZ BUSES. FOR THIS INVESTMENT  
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CONTRIBUTION THE HUNGARIANS WILL RECEIVE 4,000 TONS OF

FERROMANGANESE AND 6,000 TONS OF FERROSILICON OVER A 12 YEAR PERIOD. MORE IMPORTANT, THE USSR WILL COMMIT ITSELF TO UARANTEE HUNGARY 300,000 TONS PER YEAR OF BASIC FERROUS MATERIALS -- 150,000 TONS OF IRON CONCENTRATE AND ANOTHER 150,000 TONS OF SO-CALLED AGLO-ORE. THE DELIVERIES WILL BEGIN IN 1979 AND CONTINUE THROUGH 1991.

2. COMMENT: THIS BILATERAL AGREEMENT CAN BE XPECTED TO BE FOLLOWED BY OTHER SUCH ACCORDS BETWEEN THE INDIVIDUAL CEMA COUNTRIES AND THE SOVIET UNION FOR THE DEVELOPMENT OF SOVIET IRON ORE. FURTHERMORE, ACCORDING TO A SENIOR OFFICIAL AT THE MINISTRY OF METALLURGY AND MACHINE BUILDING, MANY MORE SUCH AGREEMENTS COMMITTING HUNGARIAN RESOURCES TO THE DEVELOPMENT OF SOVIET RAW MATERIALS ARE CURRENTLY ON THE DRAWING BOARD.  
PEDERSEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RAW MATERIALS, TRADE AGREEMENTS, STEELS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Previous Handling Restrictions:** n/a  
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30 JUN 2005

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**Subject:** CONCLUSION OF HUNGARIAN-SOVIET FERROUS METALS AGREEMENT  
**TAGS:** EMIN, ETRD, HU, UR  
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**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005